

Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 FEA-01 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 OPIC-03

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P 051945Z FEB 76

FM AMEMBASSY PORT OF SPAIN

TO SECSTATE WASHDC PRIORITY 8772

LIMITED OFFICIAL USE PORT OF SPAIN 0309

E.O. 11652: N/A

TAGS: EINV, TD

SUBJECT: EXPROPRIATED U.S. PROPERTY AND COUNTRY
ELIGIBILITY FOR GSP

REF: STATE 25979, 75 PORT OF SPAIN 1834, 75 PORT OF SPAIN 514,

1. PORT OF SPAIN CABLES CITED ABOVE INFORMED DEPT. THAT THIS
EMBASSY WAS NOT AWARE OF ANY OUTSTANDING CASES OF
NATIONALIZATION OR DISPUTED NATIONALIZATION OF AMERICAN PRO-
PERTY IN TRINIDAD WHICH MIGHT REQUIRE A PRESIDENTIAL DETER-

MINATION UNDER SECTION 502 (B) (4) OF TRADE ACT OF 1974.

WE STILL DO NOT BELIEVE THERE HAS BEEN ANY COMPLETED ACTION
WHICH COULD BE CONSTRUED AS A NATIONALIZATION OR EXPROPRIATION
CALLING FOR INTER-AGENCY CONSIDERATION, AND REQUEST DEPT.'S
PROMPT NOTIFICATION AS TO WHAT ALLEGEDLY EXPROPRIATORY ACTION IS
UNDER COMMITTEE REVIEW WITH REGARD TO TRINIDAD AND TOBAGO (STATE
25979). ONLY SITUATION OF WHICH WE ARE AWARE THAT MIGHT HAVE
COME UNDER COMMITTEE'S SCRUTINY IS GOTT POSITION TOWARD LARGE
TEXACO INVESTMENTS IN TRINIDAD, STATUS OF WHICH IS
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BRIEFLY OUTLINED BELOW.

2. IN APRIL 1975, GOTT ANNOUNCED TAKEOVER OF TEXACO'S DOMESTIC MARKETING OPERATIONS IN TRINIDAD (75 PORT OF SPAIN 835), TO WHICH TEXACO REPORTEDLY AGREED (75 PORT OF SPAIN 883), AND GOTT APPOINTED A NEGOTIATOR TO DISCUSS PRICE AND TERMS OF PAYMENT.

3. IN JUNE 1975, PRIME MINISTER WILLIAMS APPOINTED A FIVE-MAN TEAM TO NEGOTIATE GOTT EQUITY PARTICIPATION IN ALL OTHER ASPECTS OF TEXACO'S OPERATIONS IN TRINIDAD (75 PORT OF SPAIN 1388). FIRST NEGOTIATING SESSION WAS NOT HELD UNTIL JANUARY 1976 AT WHICH TIME GOTT DEMANDED MAJORITY PARTICIPATION (PORT OF SPAIN 261). IT APPEARS THAT NEGOTIATIONS FOR TAKEOVER OF THE MARKETING OPERATION HAVE BEEN MERGED WITH NEGOTIATIONS FOR PARTICIPATION IN OTHER TEXACO OPERATIONS; AT ANY RATE, TEXACO AND TEXACO EMPLOYEES ARE STILL PHYSICALLY OPERATING THE MARKETING COMPANY.

4. INASMUCH AS TAKEOVER DESCRIBED PARAGRAPH 2 WAS ONLY AN ANNOUNCEMENT THAT HAS YET TO BE IMPLEMENTED OR CONSUMMATED, WE DOUBT THAT THIS AMOUNTS TO AN "EXPROPRIATION" IN A LEGAL SENSE WHICH REQUIRES A 502 (B) (4) (D) DETERMINATION. LIKEWISE, WE DOUBT THAT GOTT DEMANDS FOR EQUITY PARTICIPATION IN ENTIRE TEXACO INVESTMENT CAN AT THIS STAGE BE CONSIDERED A NATIONALIZATION OR EXPROPRIATION. (WE AGREE, OF COURSE, THAT GOTT'S INTENTIONS TOWARD TEXACO MERIT CLOSE WATCH, ESPECIALLY IN A TRINIDAD ELECTION YEAR, AND EMBASSY WILL CONTINUE TO REPORT STATUS OF SITUATION.)

5. LOCAL TEXACO OFFICIALS CONSISTENTLY DECLINE TO DISCUSS COMPANY-GOVERNMENT RELATIONS WITH EMBASSY OFFICERS. WE WOULD APPRECIATE KNOWING IF TEXACO OFFICIALS IN U.S. HAVE BROUGHT COMPANY'S TRINIDAD SITUATION TO ATTENTION OF DEPT. OR INTER-AGENCY EXPROPRIATION COMMITTEE, OR IF COMMITTEE'S CONSIDERATION OF TEXACO STEMS SOELY FROM USG OBLIGATIONS UNDER TRADE ACT, OR INDEED IF SOME ENTIRELY DIFFERENT U.S. INVESTMENT IN TRINIDAD IS REASON FOR COMMITTEE'S REVIEW OF TRINIDADIAN GSP ELIGIBILITY.

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Message Attributes

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